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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
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TOM FORESE

Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
APPROVAL OF ITS 2016 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN.

DOCKET NO. E-01933A-15-0239

PROCEDURAL ORDER

BY THE COMMISSION:

On July 1, 2015, Tucson Electric Power Company ("TEP" or "Company") filed with the Arizona Corporation Commission ("Commission") its 2016 Renewable Energy Standard and Tariff ("REST") Implementation Plan ("Plan") in compliance with A.A.C. R14-2-1801 *et seq.* ("REST Rules").

Intervention has been granted to the Residential Utility Consumer Office ("RUCO") and the Energy Freedom Coalition of America ("EFCA").

On November 6, 2015, RUCO filed Comments on TEP's 2016 Plan which expressed general support for the Plan.

On November 14, 2015, EFCA filed a Motion for Procedural Conference in order to set a schedule for a formal evidentiary hearing on TEP's 2016 REST Plan. EFCA claims that there are numerous issues of material fact surrounding TEP's proposal to expand its utility owned distributed generation program ("UODG Program") that was approved as part of the Company's 2015 REST Plan.¹

On November 24, 2015, the Commission's Utilities Division ("Staff") filed a Response to EFCA's Motion for Procedural Conference. Staff stated that although it has concerns related to the timeliness of EFCA's motion, Staff does not oppose holding a procedural conference to discuss the issues that EFCA raises in its filing. Staff suggests that a possible alternative for a hearing is to consider TEP's UODG Program in TEP's pending rate case that was filed on November 5, 2015.²

¹ Decision No. 74884 (December 31, 2014).

² Docket No. E-01933A-15-0322.

1 On November 25, 2015, TEP filed a Response in Opposition to EFCA's Motion for Procedural
2 Conference. TEP argues that EFCA's motion is a "delay tactic" designed to disrupt the process of
3 approving TEP's 2016 REST Plan by January 1, 2016; interferes with the Commission's efficient
4 processing of applications under its rules; prejudices the parties to this proceeding; and encourages
5 similar behavior in the future which is not in the public interest. TEP asserts that EFCA did not move
6 to intervene until October 22, 2015, waited an additional three weeks before filing its motion, and did
7 not engage in any discovery concerning the 2016 REST Plan. TEP asserts that whether to conduct a
8 hearing under the REST Rules is discretionary, and that delaying implementation of the 2016 REST
9 Plan prejudices TEP and its customers.

10 On November 25, 2015, TEP filed a Supplemental Response in Opposition to EFCA's Motion
11 for Procedural Conference. TEP submits that it is premature to conduct the requested procedural
12 conference, and that the appropriate and most efficient process would be to proceed with having Staff
13 file its Staff Report and proposed order, parties filing comments or exceptions to the proposed order,
14 the Commission considering the proposed order and any exceptions at Open Meeting and approving,
15 amending or denying some of all of the proposed order. TEP states that as part of this consideration,
16 the Commission can determine whether it believes an evidentiary hearing is necessary on certain
17 elements of the 2016 Plan.

18 On December 1, 2015, EFCA filed a Reply in Support of its Motion for Procedural Conference.
19 EFCA argues that TEP is attempting to avoid scrutiny of its UODG Program, that EFCA's Motion is
20 timely; and that an evidentiary hearing will not prejudice TEP or its ratepayers. EFCA claims that
21 TEP's UODG Program in its 2016 REST Plan is greatly expanded from the pilot program approved in
22 TEP's 2015 Plan; and furthermore, that it is not unusual for the Commission to consider an REST Plan
23 in the year after they were filed.

24 The REST Rules provide that beginning July 1st of each year an Affected Utility shall file for
25 Commission review and approval, a plan that describes how it intends to comply with the REST Rules
26 for the next calendar year.³ The Rules provide that "[t]he Commission may hold a hearing to determine
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28 ³ A.A.C. R14-2-1813.A

whether the Affected Utility's implementation plan satisfies the requirement of these rules."⁴ The REST Rules do not establish a deadline for parties to file motions or for Commission action.

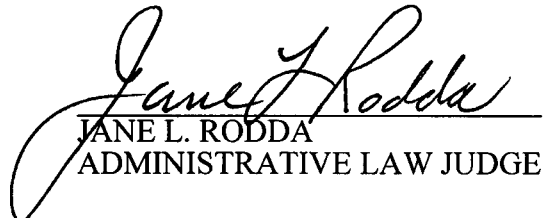
As a party to this docket, EFCA was acting within Commission rules and procedures when it identified its concerns about TEP's 2016 Plan and filed its motion. Staff has not yet filed a Staff Report and proposed order, thus, filing exceptions or comments on a Staff order is not yet possible. The issues raised in EFCA's motion and Staff's Response warrant discussion at a Procedural Conference.

IT IS THEREFORE ORDERED that a **Procedural Conference** shall commence on **December 17, 2015, at 10:00 a.m.**, or a soon thereafter as is practical, at the **Commission's Tucson offices, Room 222, 400 West Congress, Tucson, Arizona 85701.**

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 4th day of December, 2015.


JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

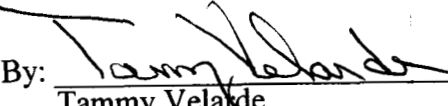
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⁴ A.A.C. R14-2-1813.C.

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